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I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry

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I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry.

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On Our Cover

Jimmy Rogers and his daughter, Laurie Lowe, moved their South Carolina dealership from auto parts to outdoor power equipment. When horse and livestock farming developed in their area, they grew into the new market.

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16: **New Power:** A look at some of the arrivals to the industrial, ag and utility markets.

21: **Tractor Importers, Part IV:** The offbeat, medium-sized tractors from other than the major industrial nations are doing okay in America, as government data indicate. Profiles of CBT and SAME.

23: **Losing Our Bearings?** Shortliners are feeling the pinch on the supply side lately, but it hasn't been easy for the majors, either.

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March Retail Sales: Positive-Negative Mix

U.S. retail sales of farm equipment in March, according to the Farm & Industrial Equipment Institute's monthly flash report, showed sales improvements in most tractor categories, while sales of combines remained depressed and some hay tools were off sharply. For the first quarter, the only sharp declines were in sales of under-40-hp tractors and self-propelled combines.

UNIT RETAIL SALES

Equipment	March 1989	March 1988	% Change	January-March 1989	January-March 1988	% Change
Farm Wheel Tractors						
2-Wheel Drive						
Under 40 HP	3,969	4,744	(16.3)	8,420	10,493	(19.8)
40 & Under 100 HP	3,269	3,190	2.5	7,592	7,749	(2.0)
100 & Under 140 HP	536	417	28.5	1,270	1,167	8.8
140 HP & Over	1,363	1,090	25.0	3,673	2,922	25.7
Total 2-Wheel Drive	9,137	9,441	(3.2)	20,955	22,331	(6.2)
4-Wheel Drive						
Under 200 HP	112	140	(20.0)	303	252	20.2
200 HP & Over	276	226	22.1	638	439	45.3
Total 4-Wheel Drive	388	366	6.0	941	691	36.2
Total Farm Wheel Tractors	9,525	9,807	(2.9)	21,896	23,022	(4.9)
Combines (Self-Propelled)	317	579	(45.3)	878	1,401	(37.3)
Rectangular Balers	285	275	3.6	836	632	32.3
Forage Harvesters (Shear Bar Type)	85	102	(16.7)	251	252	(.4)
Mower Conditioners	477	692	(31.1)	1,375	1,346	2.2

MF, Claas Cut Deal on Conventional Combines

Massey-Ferguson and Claas oHG of West Germany have signed a joint supply and distribution deal covering two conventional combines in the Class V and Class VI sizes. The MF-branded combines will be distributed by the Massey dealer organization in North America.

Claas will continue marketing its products in North America under its own name from its Claas of America subsidiary based at Columbus, Ind. They include conventional and non-conventional combines, balers and other hay tools.

MF says the 8450 (Class V) and 8460 (Class VI) will be available for midsummer delivery.

Both combines have hydrostatic drive. The 8450 is powered with a 346-cu.-in. diesel engine rated at 162 horsepower; tank capacity is 150 bushels. The 8460 has a 669-cu.-in. diesel developing 221 hp. Tank size is 185 bushels. On the 8450, the variable-speed cylinder is 52 in.; on the 8460, it is 62 in..

Rigid grain heads are available in cutting widths of up to 30 ft. Flexible bottom heads go up to 20 ft. Six- and eight-row corn heads are also available.

Earlier, MF had introduced a Class IV conventional combine to its dealers made at its combine facility in Brazil.

FIEI to Expand Construction Services

The Farm & Industrial Equipment Institute will expand its statistical, technical, government relations and general representation services to encompass construction equipment manufacturers.

According to a statement by FIEI Chairman John Tye, Tye Co., there have been efforts for several years to merge the FIEI and the Construction Industry Mfrs. Assn. Three proposals developed by joint FIEI-CIMA task forces have been turned down by the CIMA board, the most recent last Nov. 1.

Subsequently, several companies belonging to both groups petitioned the FIEI to expand services to include a full range of construction type products. According to the Tye statement, they wanted to invest their effort in one trade association for farm, industrial and construction equipment makers.

In February, the FIEI board instructed its staff to develop an expansion program in line with the petitioners. In March, the CIMA board developed and voted its own plan for a merger. The FIEI board, however, instructed its staff to continue the expansion of its programs "and revisit the merger issue at a more appropriate date in the future."

The FIEI board instructed the staff and officers of FIEI to implement the proposal made to the construction equipment manufacturing firms, and to develop restructuring plans for FIEI to be considered in August. The resolution also instructed Tye to notify CIMA that FIEI will not engage in further merger discussion until the expanded programs are operative and structural changes desired by the membership are in place.

The Tractor Importers, Part IV:

Independents Mount Impressive Numbers

The offbeat, medium-sized tractors from other than the major industrial nations are doing okay in America, as government data indicate. Here are the figures and profiles of a couple of the players.

By BILL FOGARTY

THE TABLE with this article sums it up well. Tractor imports from non-multinational companies are picking up steam.

South Korea, for instance, moved from supplying a few dozen units in 1985 to over a thousand last year; Yugoslavia went from zero to over 1,600 in the same period.

It has been happening because of currency shifts in world commerce and the deepening of the part-time farm market in the U.S. Importers and their dealers have been telling *I&T* that they are responding to a demand by smaller operators for competitively priced tractors with few frills.

This in turn suggests two changes in the U.S. market.

One, the once lavish supply of used middle-sized tractors, some of them over 20 years of age, is at last going into a natural decline. It is said that old tractors never die, but it may be that the cost of keeping some of them running has become expensive enough that the alternative of a com-

(More, next page)

Independent Tractor Importers: They're Getting Busier

(Number of units imported to U.S. from selected nations)

Country of Origin	1985	1986	1987	1988	Four-Year Total
Brazil	56	95	245	1,373	1,769
China	20	16	43	205	284
Czechoslovakia	591	891	743	1,140	3,365
Italy	3,241	5,299	3,963	1,576	14,079
South Korea	63	535	686	1,072	2,356
Poland	1	0	49	73	123
Romania	1,186	495	1,432	1,363	4,476
Soviet Union	406	1,214	1,448	3,180	6,248
Yugoslavia	0	204	1,368	1,605	3,177
Totals	5,564	8,749	9,987	11,587	35,887

Source: U.S. Dept. of Commerce

Interpreting this table: These are the primary countries of origin for tractors brought into the U.S. by the independent tractor importers who are the subjects of this series of articles. However, they are not responsible for all tractor imports shown in this table.

For example, Brazilian tractors are brought in by two independents, CBT and Viking, and by two multinational companies, Massey-Ferguson and Ford. From Italy come Hesston's Fiat tractors and SAME units. MF had sourced its Landini tractors from Italy and is now sourcing some tractors from Poland, as is Ursus Midland.

Other tractor makes and their origins: Zetor from Czechoslovakia; Kioti from Korea; Universal and Long from Romania; Belarus from the Soviet Union; MEMO and IMT from Yugoslavia.

Other major source nations for tractor imports, Japan, Canada, U.K., West Germany and France, are not included in this table because their activity is almost totally involved with major, multinational companies: Case, Deere, Deutz-Allis, Ford New Holland, Kubota and Massey-Ferguson.

IMPORTS *(from page 21)*

petitively priced new unit provided by an independent importer is compelling.

Two, part-time or small farming operations, typical users of middle-sized tractors, from 40 to 99 horsepower, are apparently expanding in number, at least enough to soak up the available supply of used units to a substantial degree.

In prior articles in this series, *I&T* has profiled several of the importers and their products: February—Robison & Woods, importers of the IMT from Yugoslavia; March—Long Mfg., longtime marketer of Romanian-built Universal tractors under the Long name; April—MEMO from Yugoslavia; Kioti from Korea; Universal Farm Group's Romanian Universals; and Zetor from Czechoslovakia. Let's look at a couple more now.

CBT has targeted buyers who want low-price, basic tractors that are also highly reliable.

CBT from Brazil

CBT stands for Companhia Brasileira de Tractores and was founded in Sao Carlos, Brazil, in 1960. Originally, tractor models were licensed from Oliver Corp. (which eventually became part of what is now White-New Idea). In a few years, CBT models began evolving from the Oliver design into what has become today's line.

CBT makes five models from 70 to 111 pto horsepower and according to the U.S. distributor, CBT-USA of Colorado Springs, Colo., additional models are to be added in the next two years to broaden the range to from 40 to 135 pto hp.

In the early 1980s, CBT brought a tractor line that was "sixties-looking," says Gregory M. Lattimer, CBT-USA president, and made a test-marketing effort in Florida. Several units were sold, but CBT decided to withdraw and restyle. The result is the 8060 series.

CBT models now on the U.S. market are: Two- and front-wheel-drive versions of the 8260, developing 111 pto hp and driven by a Perkins 6-354.4 diesel engine, weighing 11,041 lbs.; two- and front-wheel-drive versions of the 8060, 108 pto hp, Mercedes-Benz 6-cylinder, 346.3-cu.-in. displacement engine; also weighing 11,041 lbs.; and the 8240, 70 pto hp, Perkins 248-cu.-in. displacement diesel. All are equipped with a mechanical transmission having six forward and two reverse speeds.

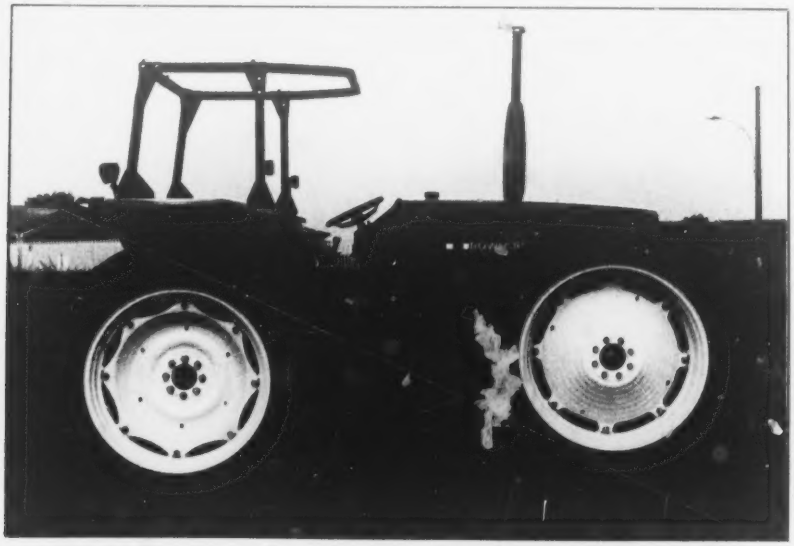
According to Lattimer, the company also intends to import an articulated four-wheel-drive tractor in June, "a Steiger that went to Brazil," that is more basic and less expensive than North American-made offerings, "but also very reliable, not just cheap."

Lattimer says his company is betting that there is a substantial market in the U.S. not only for a low-price, basic tractor but also for one that is highly reliable. "Many of the dealers we are talking to have a major franchise, but they are also looking for a back-to-basics type that can satisfy certain customers. And some dealers who handle East European tractors are looking for something like our units to compete against the major's lower cost market segment."

He adds: "We feel another big market is the corporate farmer who uses hired labor to operate his tractor fleet. This is the kind of market the tractor was designed to satisfy in Brazil. They can't hurt the tractor, but if anything goes wrong, they can fix it themselves."

Other CBT-USA officials are C.H. McAllister, chairman; John Griffis, treasurer; Dave Dairy, director of marketing; and Byron LeBlanc, product development director. The company has a port-

(See IMPORTS, pg. 27)



SAME changed its approach to the U.S. market from offering a broad range of tractors to being a niche-oriented specialist.

IMPORTS *(from page 22)*

of-entry facility at New Orleans, and ROPS, ROPS cabs and tires, made in the U.S., are added.

SAME from Italy

SAME began 62 years ago in Treviglio, Italy, and started U.S. activity in the 1970s. When the industry went into its worldwide decline, SAME "mothballed" its American subsidiary, according to Claus Morch, who manages the company's U.S. operations as a manufacturer's representative from Berkeley Heights, N.J.

A change in SAME's floorplanning led to a sharp decline in dealer numbers from a peak of 176 to as low as six. But significantly, the company changed its approach to the U.S. market from one offering a broad range of tractors powered by air-cooled diesels to a niche-oriented specialist.

Today, there are 30 SAME dealers. They are found in Wisconsin, Minnesota, Florida, the northeast, the Rio Grande valley of Texas, Arizona and California. The specialty is "the Mudder," and Morch says that SAME is No. 1. Mudders are so called because vegetable growers need tractors which can pull wagons loaded with boxed vegetables out of the field, and these fields are often very muddy at harvest because of recent flood irrigation applications.

"In 1988," says Morch, "270 SAMEs were sold, primarily specialty units for vegetables and the balance all 4WD units from 80 to 170 horsepower."

A mudder such as the Row Crop 85 is powered by a SAME-made air-cooled diesel developing 83 engine hp at 2300 rpm. Speed as low as a fourth of a mile per hour is attainable in the special gear box, which offers 16 forward and 16 reverse speeds. Morch says the 85 was designed specifically for this job and is not a normal utility tractor with add-ons. "The front and rear axles are specifically built to get out to 80 inches," Morch says, "not standard axles with extended housings that can result in incorrect king pin angle, increased tire wear, breakage, etc."

He asserts that SAME will continue to protect its niche in the mudder market, which has attracted the interest of some U.S. companies. "We have a new mudder prototype arriving soon (pictured). We will expand into other areas, such as 90-pto-hp, 4WD, low-profile sprayer tractors for almonds, citrus, etc.; vineyard tractors of 60 to 75 hp that go down to 39 inches in width; and ag crawlers of 55 to 80 hp in various widths."

Still more to come

There are more precincts to be heard from. In a later issue *I&T* will take a look at some additional entries from abroad and comment on the direction in which some of the tractor importers may be taking the market. □

NEW POWER *(from page 17)*

orchard and nursery operators, according to Wilfred Boyle, MF product marketing manager.

Like most MF tractors, it is powered by a Perkins diesel engine, has standard hydrostatic steering, disk brakes and heavy-duty planetary rear axle. The 253 is available both as a standard or as a low-profile unit with either 8-speed or manual shuttle transmission.

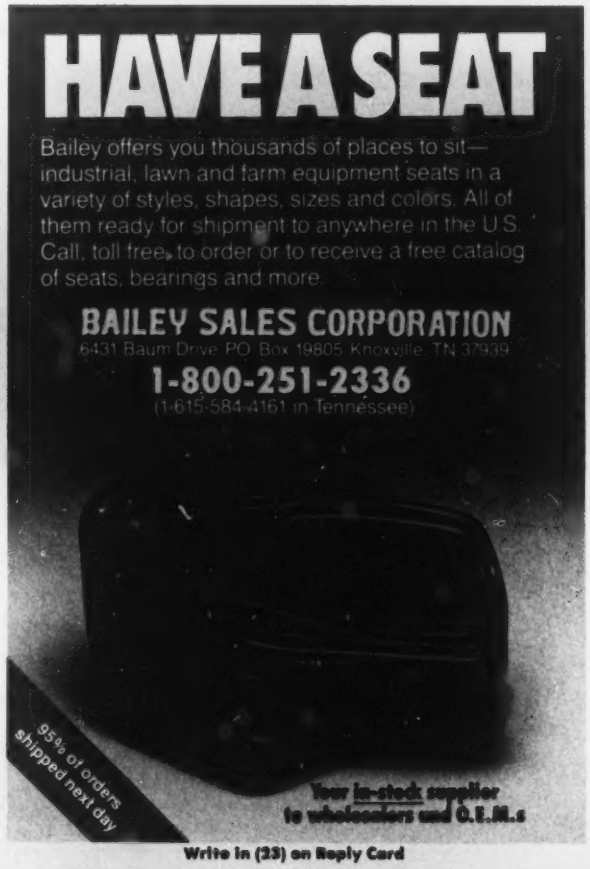
Case Upgrades 680, 780 Models

J I Case says that its new loader-backhoes, the 680L and the 780D, which succeed the 680K and the 780C, increase operator productivity and retain the features of their predecessors.

On the 680L, new features include a four-wheel-drive option, 39 percent more swing torque on the backhoe; upgraded electrical and hydraulic systems; outboard wet disk brakes; a 50 percent larger cross

member on the loader; a 6-cylinder, 90 SAE net horsepower diesel engine (with 6.3 percent more power); an upgraded 65-ampere alternator and two 12-volt batteries.

Case says the 780D, with an engine of 112 SAE net horsepower and a four-wheel-drive option, has increased ground clearance, a stronger steering assembly, differential lock and a 21 percent increase in swing cylinder torque. Other improvements cited by Case include a hydraulic brake system which replaces air-activated brakes and a drum and shoe parking brake. The electrical system has been changed from 24 to 12 volts to improve reliability and standardization.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